

TOWN OF GLENVILLE, NEW YORK

FINANCIAL STATEMENTS
OF THE
GENERAL FUND, SPECIAL REVENUE FUNDS,
CAPITAL PROJECTS FUND AND FIDUCIARY FUND

Year ended December 31, 2011

TOWN OF GLENVILLE, NEW YORK

TABLE OF CONTENTS

	Page
Independent Auditor's Report on the Financial Statements of the General Fund, Special Revenue Funds, Capital Projects Fund and Fiduciary Fund	1
Financial Statements	
Balance Sheet – All Governmental Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) – All Governmental Fund Types	4
Statement of Fiduciary Net Assets – Fiduciary Fund	5
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual – General Town Wide and Special Revenue Funds	6
Notes to Financial Statements	7
Supplementary Information	
Combining Balance Sheet – Governmental Fund Types – Special Revenue Funds	22
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund Types – Special Revenue Funds	23
Additional Reports	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS OF THE GENERAL FUND, SPECIAL REVENUE
FUNDS, CAPITAL PROJECTS FUND AND FIDUCIARY FUND**

To the Supervisor and Members of the Town Board
Town of Glenville, New York

We have audited the accompanying financial statements of the general fund, special revenue funds, capital projects fund and fiduciary fund of the Town of Glenville, New York (the "Town") as of and for the year ended December 31, 2011. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

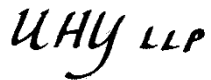
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the general fund, special revenue funds, capital projects, and fiduciary fund and do not purport to, and do not, present fairly the government-wide financial position of the Town of Glenville, New York as of December 31, 2011, and the government-wide changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund, special revenue funds, capital projects fund and fiduciary fund of the Town of Glenville, New York as of December 31, 2011, and the changes in financial position thereof and the respective budgetary comparison for the general fund and special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2012 on our consideration of the Town of Glenville, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion in the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the fund financial statements. The combining balance sheet and statement of revenues, expenditures and changes in fund balance – special revenue funds are presented for purposes of additional analysis and are not a required part of the fund financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Albany, New York
July 10, 2012

TOWN OF GLENVILLE, NEW YORK
BALANCE SHEET – ALL GOVERNMENTAL FUND TYPES
December 31, 2011

	Governmental Fund Types		
	General Fund	Special Revenue	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 745,230	\$ 5,976,712	\$ 1,287,909
Cash - restricted	20,027	1,100,158	-
Receivables	32,248	317,099	-
Due from other funds	12,751	30,031	-
Due from other governments	161,714	1,090,047	-
Prepaid expenses	60,027	188,830	-
Note receivable	-	614,677	-
Total assets	<u>\$ 1,031,997</u>	<u>\$ 9,317,554</u>	<u>\$ 1,287,909</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 47,206	\$ 189,909	\$ -
Accrued liabilities	56,225	170,375	-
Due to other funds	3,593	25,879	9,253
Due to other governments	-	148,902	-
Deferred revenue	154,831	1,154,367	-
Bond anticipation notes payable	-	-	3,710,874
Total liabilities	<u>261,855</u>	<u>1,689,432</u>	<u>3,720,127</u>
FUND BALANCE (DEFICIT)			
Nonspendable:			
Prepaid expenses	60,027	188,830	-
Restricted for:			
Debt service	20,029	811,903	-
Capital purchase and repair	-	255,468	-
Other purposes	-	32,787	-
Assigned for:			
Special Revenue Funds	-	6,339,134	-
General Fund Appropriations	325,200	-	-
Unassigned (deficit)	<u>364,886</u>	<u>-</u>	<u>(2,432,218)</u>
Total fund balance (deficit)	<u>770,142</u>	<u>7,628,122</u>	<u>(2,432,218)</u>
Total liabilities and fund balance	<u>\$ 1,031,997</u>	<u>\$ 9,317,554</u>	<u>\$ 1,287,909</u>

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) – ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2011

	Governmental Fund Types		
	General Town Wide	Special Revenue	Capital Projects
REVENUES			
Real property taxes	\$ 1,859,051	\$ 6,128,492	\$ -
Sales tax	-	2,943,160	-
Departmental income	16,693	1,910,353	-
Intergovernmental charges	357,027	724,626	-
Use of money and property	8,163	106,837	-
Licenses and permits	37,678	1,050	-
Fines and forfeitures	188,920	-	-
Miscellaneous local sources	26,346	83,343	-
State aid	736,624	161,387	-
Federal aid	-	467,579	-
Total revenues	<u>3,230,502</u>	<u>12,526,827</u>	<u>-</u>
EXPENDITURES			
General government support	1,093,963	382,139	-
Public safety	724,068	2,827,362	-
Transportation	292,239	2,242,611	-
Health	-	2,425	-
Culture and recreation	129,325	218,078	-
Economic assistance and opportunity	2,691	-	-
Home and community services	53,593	2,548,443	186,381
Employee benefits	732,122	2,313,996	-
Debt service (principal of \$945,910 and interest of \$677,565)	232,870	1,390,605	-
Total expenditures	<u>3,260,871</u>	<u>11,925,659</u>	<u>186,381</u>
Excess (deficiency) of revenues over expenditures	<u>(30,369)</u>	<u>601,168</u>	<u>(186,381)</u>
OTHER FINANCING SOURCES			
Proceeds from the sale of property and equipment	-	23,548	-
Other	-	18,264	-
Insurance recoveries	-	25,054	-
Operating transfers in (out)	(151,500)	(260,215)	411,715
Total other financing sources	<u>(151,500)</u>	<u>(193,349)</u>	<u>411,715</u>
Excess (deficiency) of revenues over expenditures and other financing sources	(181,869)	407,819	225,334
Fund balance (deficit), beginning of year	<u>952,011</u>	<u>7,220,303</u>	<u>(2,657,552)</u>
Fund balance (deficit), end of year	<u>\$ 770,142</u>	<u>\$ 7,628,122</u>	<u>\$ (2,432,218)</u>

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUND
December 31, 2011

ASSETS

Restricted cash	\$ 97,568
Note receivable	<u>357,267</u>
Total assets	<u><u>\$ 454,835</u></u>

LIABILITIES

Due from other funds	\$ 4,057
Other liabilities	<u>450,778</u>
Total liabilities	<u><u>454,835</u></u>

NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

-
<u><u>\$ 454,835</u></u>

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL – GENERAL TOWN WIDE AND SPECIAL REVENUE FUNDS

Year Ended December 31, 2011

	General Town Wide			Special Revenue Funds *		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Real property taxes	\$ 1,831,765	\$ 1,859,051	\$ 27,286	\$ 5,602,856	\$ 5,658,915	\$ 56,059
Sales tax	-	-	-	2,790,000	2,943,160	153,160
Departmental income	13,836	16,693	2,857	120,000	1,790,322	1,670,322
Intergovernmental charges	363,481	357,027	(6,454)	1,940,857	724,626	(1,216,231)
Use of money and property	29,600	8,163	(21,437)	58,148	84,569	26,421
Licenses and permits	31,040	37,678	6,638	1,500	1,050	(450)
Fines and forfeitures	220,000	188,920	(31,080)	-	-	-
Miscellaneous local sources	1,100	26,346	25,246	12,300	83,343	71,043
State aid	722,787	736,624	13,837	168,127	161,387	(6,740)
Federal aid	-	-	-	-	52,038	52,038
Total revenues	<u>3,213,609</u>	<u>3,230,502</u>	<u>16,893</u>	<u>10,693,788</u>	<u>11,499,410</u>	<u>805,622</u>
EXPENDITURES						
General government support	1,236,846	1,093,963	142,883	343,479	382,139	(38,660)
Public safety	730,899	724,068	6,831	2,358,419	2,444,412	(85,993)
Transportation	270,765	292,239	(21,474)	2,360,394	2,205,050	155,344
Health	1,000	-	1,000	2,000	2,425	(425)
Culture and recreation	134,462	129,325	5,137	225,994	217,036	8,958
Economic assistance and opportunity	4,000	2,691	1,309	-	-	-
Home and community services	49,988	53,593	(3,605)	2,221,975	2,118,548	103,427
Employee benefits	934,440	732,122	202,318	2,649,797	2,313,996	335,801
Debt service (principal and interest)	232,909	232,870	39	1,378,320	1,390,605	(12,285)
Total expenditures	<u>3,595,309</u>	<u>3,260,871</u>	<u>334,438</u>	<u>11,540,378</u>	<u>11,074,211</u>	<u>466,167</u>
Excess (deficiency) of revenues over expenses	<u>(381,700)</u>	<u>(30,369)</u>	<u>351,331</u>	<u>(846,590)</u>	<u>425,199</u>	<u>1,271,789</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of property and equipment	-	-	-	28,000	23,548	(4,452)
Transfers in/(out)	(151,500)	(151,500)	-	(260,215)	(260,215)	-
Other	-	-	-	-	18,264	18,264
Insurance recoveries	-	-	-	-	25,054	25,054
Total other financing sources (uses)	<u>(151,500)</u>	<u>(151,500)</u>	<u>-</u>	<u>(232,215)</u>	<u>(193,349)</u>	<u>38,866</u>
Net change in fund balances	<u>\$ (533,200)</u>	<u>\$ (181,869)</u>	<u>\$ 351,331</u>	<u>\$ (1,078,805)</u>	<u>\$ 231,850</u>	<u>\$ 1,310,655</u>

*Includes town outside village, highway, water and sewer only.

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Glenville, Schenectady County, New York (the "Town") was incorporated in 1821. The Town is governed by the Charter of the Town of Glenville, the Town Law and other general laws of the State of New York, and various local laws and ordinances. The Town Board is the legislative body responsible for overall operations of the Town and consists of the Town Supervisor and four council members. The Town Supervisor serves as chief executive officer and chief fiscal officer.

The Town provides the following basic services: police protection, parks and recreation, sewer, water, lighting and highway maintenance.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB) as they relate to fund accounting for fiscal accountability. Fiscal accountability is one of the primary objectives of financial reporting and is designed to demonstrate that the actions of the government during the current period have complied with public decisions concerning the raising and spending of public monies during the reporting cycle.

In June 1999, the GASB approved Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments which became effective for the Town for the period ended December 31, 2004. This statement requires the financial statements to include government-wide financial statements on a full accrual basis, in addition to the fund financial information presented by the Town of Glenville in these financial statements. It further requires information relating to fixed assets, including infrastructure and depreciation, component units and reconciliation between government-wide and fund statements, as well as management discussion and analysis.

The Town has elected not to implement GASB 34 due to the costs associated with the development and maintenance of the information required to present government-wide financial statements. Accordingly these financial statements do not purport to, and do not, present fairly the government-wide financial position of the Town of Glenville. The accompanying financial statements present the financial position of the general fund, special revenue funds, capital projects fund and the fiduciary fund of the Town of Glenville, New York as of December 31, 2011. The financial statements also present the changes in financial position of the Town's general fund, special revenue funds and the capital projects fund and the respective budgetary comparison for the general fund and special revenue funds for the year ended December 31, 2011.

(a) Financial Reporting Entity

The financial reporting entity consists of the general fund, the special revenue funds, the capital projects fund and fiduciary fund of the Town of Glenville and does not include any other funds, account groups or component units of the Town.

(b) Basis of Presentation – Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances (net assets), revenues, and expenditures (expenses). The following fund types are used by the Town:

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of Presentation – Fund Accounting (Continued)

Governmental funds are those in which most governmental functions of the Town are reported. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon determination of net income. The following are the Town's governmental fund types:

General Fund – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The fund operates within the financial limits of an annual budget adopted by the Town Board.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. Most funds operate within the financial limits of an annual budget adopted by the Town Board. The following funds are accounted for in this group:

- Town Outside Village Fund – used to account for transactions which by statute effect only those areas outside the boundaries of the village located within the town.
- Highway Fund – used to account for highway operations.
- Special District Funds – used to account for resources of the special districts. The Town has a drainage, water, sewer, park, recreation, fire protection and lighting district which supply services to portions of the Town.
- Special Grant Funds – used to account for federal monies received to provide rental housing and economic development assistance.

Capital Projects Fund – The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital facilities. Financing is generally provided from the proceeds of bond and note sales, transfers from other funds and or Federal and State grants.

Fiduciary Funds – Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

(d) Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred, if measurable.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Basis of Accounting (Continued)

In applying the susceptible-to-accrual concept to State and Federal Aid, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

Sales tax is recorded when it is susceptible to accrual. Fines and forfeitures and miscellaneous local source revenues are recorded when received in cash because they are generally not measurable until actually received. Inter-governmental revenues are accrued when their receipt occurs within sixty days of the end of the accounting period and such amounts relate to the current period. Departmental income, which consists principally of revenues generated from providing Town water and sewer services, are recorded annually on a metered basis.

(e) Fund Balance Classification

Effective January 1, 2011, the Town adopted GASB Statement No. 54, which redefines how fund balances of governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Board. The Town did not have any committed resources as of December 31, 2011.

Assigned - This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Board or through the Town Board delegating this responsibility to the Town Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property Taxes

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1 and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and special districts purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The Town collects taxes from January 1 through April 30. After April 30, taxes are considered delinquent. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

(g) Budgetary Data

General Budget Process – Prior to September 30 of each year, the Town Supervisor submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. Any revisions to the budget are approved by the Town Board and are incorporated into the Town's modified budget. Town taxes are due and payable by January 31 without penalty and interest.

Special Revenue Funds – The budget and actual comparison for Special Revenue Funds, included in the Statement of Revenue, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual reflects budgeted and actual amounts for funds with legally authorized budgets.

The special grant, recreation, drainage, parks, fire protection and various lighting districts funds have not been included in the budget comparison of the special revenue fund because they are not material funds or do not have a legally authorized budget. The actual activity of these unbudgeted funds, as follows, is provided in order to reconcile to the actual balances of the special revenue funds.

	Fund Balance Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance End of Year
Funds with budget included in budget comparison	\$ 6,485,234	\$ 11,499,410	\$ 11,074,211	\$ (193,349)	\$ 6,717,084
Funds excluded from above	735,069	1,027,417	851,448	-	911,038
Total special revenue funds	<u>\$ 7,220,303</u>	<u>\$ 12,526,827</u>	<u>\$ 11,925,659</u>	<u>\$ (193,349)</u>	<u>\$ 7,628,122</u>

(h) Account Groups

Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. An account group is not a "fund." It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Account Groups (Continued)

General Long-term Debt Account Group – This account group is used to record all long-term debt of the Town, such as compensated absences, installment purchases, and bonds. Information about general long-term debt is disclosed in Note 8.

Fixed Asset Account Group – This account group is used to record all capital assets of the Town in excess of \$10,000 with a useful life of at least one year, such as Land, Buildings and Machinery and Equipment. Information about general long term assets is disclosed in Note 4.

(i) Other

The following policies relate to transactions affecting governmental funds as well as the account groups.

Compensated Absences – Town employees are granted vacation, sick leave and earn compensatory absences in varying amounts. Vacation leave must be taken in the year earned. In the event of termination or upon retirement, after ten years of service, except the Highway Department, which has no years of service requirement, an employee is entitled to payment for accumulated sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

The Town recognizes a liability for compensated absences as the benefits are earned by employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes compensatory absences that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave expected to lapse and includes leave that new employees are expected to eventually qualify for.

In addition, the Town recognizes a liability for vesting sick leave as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments, rather than be taken as absences due to illness or other contingencies for employees who, at the balance sheet date, currently are eligible to receive payments upon termination as well as other employees who are expected to become eligible in the future to receive such payments.

Estimated sick leave and compensated absences accumulated by governmental fund type employees have been recorded in the general long-term debt account group.

Payment of sick leave and compensated absences recorded in the general long-term debt account group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of sick leave and compensated absences when such payment becomes due.

(j) Retirement Plans and Post-Retirement Health Insurance Benefits

The Town provides retirement benefits for its employees through participation in both the New York State and Local Police and Fire Retirement System and the New York State and Local Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Retirement Plans and Post-Retirement Health Insurance Benefits (Continued)

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees, their spouses and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age and have worked for the Town at least ten years. The Town recognizes the cost of providing healthcare benefits by expensing the annual insurance costs, which were approximately \$1,537,000 for 2011 for both the 60 retirees and the 79 active employees.

(k) Capital Lease Obligations

Capital lease obligations for governmental funds are accounted for in the general long-term debt account group. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease. Also, in the year an asset is acquired by capital lease in a governmental fund, the expenditure for the asset and the offsetting amount of the financing source are reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit). Assets acquired under capital leases are accounted for in the general fixed asset account group.

(l) Estimates

The preparation of fund financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m) Other

The Town is required to cover a portion of costs under Section 207-C of the General Municipal Law for police officers. Officers are entitled to their full pay when out on leave. The Town is required to cover any amount of costs not reimbursed by Workers' Compensation.

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

NOTE 2 — STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Certain capital projects had deficits totaling approximately \$3,418,000 at December 31, 2011; the entire deficit is caused by temporarily financing project costs through the issuance of bond anticipation notes (BAN). This portion of the deficit will be offset when permanent financing is issued and/or BAN principal payments are budgeted and paid in the governmental fund(s) responsible for the debt. Measures will have to be taken in future budgets of the sponsoring fund to fund these deficits or serial bonds will be issued.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 — CASH AND CASH EQUIVALENTS

(a) Policy and Collateral

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The Town Comptroller is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State, or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of New York, its municipalities and school districts.

At December 31, 2011, the bank balances held by the Town were fully collateralized.

(b) Restricted Cash

Restricted cash consists of the following at December 31, 2011:

General Fund – Cash restricted for debt service of approximately \$20,000.

Special Revenue funds restricted cash balances consist of the following at December 31, 2011:

Outside Village Fund – Cash restricted for miscellaneous purposes of approximately \$32,800.

Highway Fund – Cash restricted for debt service of approximately \$806.

Sewer Fund – Cash restricted for repair reserves and debt service of approximately \$66,000 and \$225,400, respectively.

Water Fund – Cash restricted for capital reserves, repair reserves and debt service of approximately \$144,900, \$44,600 and \$585,700, respectively.

Fiduciary Fund – Restricted cash of approximately \$99,500 consists of \$58,700 restricted for Town official funds; \$22,400 restricted for the Maritime Center; and \$14,700 for other miscellaneous purposes.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 4 — FIXED ASSETS

As discussed in Note 1, the Town's fixed assets are recorded in the general fixed asset account group. The following provides a summary of changes in general fixed assets:

<u>Type</u>	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2011</u>
Land	\$ 913,176	\$ -	\$ -	\$ 913,176
Buildings	5,375,868	-	-	5,375,868
Improvements other than buildings	563,073	10,000	-	573,073
Machinery and equipment	6,820,078	63,996	106,000	6,778,074
Total	<u>\$ 13,672,195</u>	<u>\$ 73,996</u>	<u>\$ 106,000</u>	<u>\$ 13,640,191</u>

NOTE 5 — EMPLOYEE BENEFIT PLANS

(a) Plan Description

The Town of Glenville participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (collectively the "Systems"). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12207.

(b) Funding Policy

The Systems have multiple tiers with varying employee contribution requirements. Under the authority of the NYSRSSL, the Comptroller certifies annually the rates expressed as proportions of payroll of members, which is used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town of Glenville is required to contribute at an actuarially determined rate. The required contributions for the Plan's fiscal year ended March 31, 2012 and the two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2012	\$ 548,719	\$ 407,022
2011	\$ 393,209	\$ 349,784
2010	\$ 288,796	\$ 408,819

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year. In 2011, the Town prepaid approximately \$137,200 in ERS and \$101,800 in PFRS.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 — DEFERRED REVENUE

Deferred revenue for the general fund and special revenue funds at December 31, 2011 primarily consist of grant funds not expended in addition to tax receivables not recognized as revenue based on availability under the modified accrual basis of accounting.

NOTE 7 — SALES TAX

Sales tax revenues are based upon an agreement with the County of Schenectady, the City of Schenectady and the towns within the County which provides for a distribution of sales tax revenues within the County in accordance with an allocation formula.

NOTE 8 — LONG-TERM DEBT

The following is a summary of changes in long-term liabilities outstanding in the general long-term debt account group at December 31, 2011:

	Bonds	Capital Leases	Landfill Closure Costs	Compensated Absences	Judgments and Claims	Other Postemployment Benefit Obligation
Payable January 1, 2011	\$ 17,609,265	\$ 32,966	\$ 104,034	\$ 1,770,880	\$ 228,210	\$ 1,345,712
Issued	-	-	-	-	-	-
(Payments)	(912,944)	(32,966)	-	-	-	(615,055)
Net increase (decrease)	(912,944)	(32,966)	-	-	-	(615,055)
Other net increase (decrease)	-	-	(9,908)	(23,198)	30,127	1,061,786
Payable December 31, 2011	\$ 16,696,321	\$ -	\$ 94,126	\$ 1,747,682	\$ 258,337	\$ 1,792,443

(a) Bonds

The Town borrows money in order to construct infrastructure and perform improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are secured by the full faith and credit of the local government, are recorded in the General Long-term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

The following is a summary of bonds outstanding at December 31, 2011:

Payable from Description	Original Date Issued	Original Amount	Interest Rate (%)	Date Final Maturity	Outstanding
Serial Bond - Landfill Closure	6/15/02	\$ 565,000	4.000%	6/15/17	\$ 274,500
Serial Bond - Sewer Fund	12/1/95	388,200	4.100%	12/1/14	60,000
Serial Bond - Water Fund	6/15/02	4,367,100	5.000%	6/15/27	3,285,500
Serial Bond - Sewer Fund	7/25/02	4,494,464	5.000%	10/15/31	3,100,000
Statutory Installment Bond - BH-BL Baseball	10/14/05	147,000	4.350%	10/14/17	73,500
Serial Bond - Various Public Improvements	12/1/05	9,416,000	4.030%	12/1/26	7,525,000
Statutory Installment Bond - Hoffman Hill	11/5/07	107,501	3.950%	11/5/12	21,500
Statutory Installment Bond - Sewer Excess	12/28/07	386,667	4.690%	12/28/26	305,264
Serial Bond - Sewer Fund	6/1/10	2,133,100	0.000%	6/1/36	2,051,057
Total		\$ 22,005,032			\$ 16,696,321

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 — LONG-TERM DEBT (Continued)

(a) Bonds Payable (Continued)

The following table summarizes the Town's future debt service requirements on bonds as of December 31, 2011:

<u>Year Ending Date</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest (Memorandum)</u>
2012	\$ 881,144	\$ 642,454
2013	884,644	609,341
2014	909,644	575,621
2015	924,644	540,098
2016	949,643	502,798
2017-2021	4,774,215	1,950,917
2022-2026	5,506,964	928,594
2027-2031	1,455,210	109,990
2032-2036	410,213	-
	<u>\$ 16,696,321</u>	<u>\$ 5,859,813</u>

At December 31, 2011 the total outstanding bonds, capital leases and BANs of the Town aggregated \$20,407,197; \$9,684,082 of this amount was subject to the constitutional debt limit and represented less than 7% of its debt limit.

(b) Capital Leases

The Town was obligated under several leases which are accounted for as capital leases. The leased assets and related obligations are accounted for in the general fixed asset account group and the general long-term debt account group, respectively.

The Town has no future minimum lease payments under the capital leases as of December 31, 2011.

(c) Other Long-term Debt

In addition to the above long-term debt, the local government had the following non-current liabilities:

- Landfill Closure Costs – Represents the Town's estimated costs for future monitoring and maintenance of the Town's previously closed landfill. The estimated costs are amortized on a straight line basis through the year 2021.
- Compensated Absences – Represents the earned and unused portion of the liability for compensated absences. Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.
- Judgments and Claims – Represents the Town's share of its estimated sales tax and property tax overpayment claims made by various concerns conducting business within the Town's jurisdiction. Claims are liquidated through the general fund and recognized as expenditures when payment of the claim is both probable and the amount can be reasonably estimated.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 — LONG-TERM DEBT (Continued)

(d) Other Postemployment Benefit Obligation (OPEB)

The Town implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of January 1, 2010. This Statement establishes standards for the recognition, measurement and presentation of retiree health insurance expenses.

The Town provides health care benefits for certain retired employees. These costs are recognized and expensed when paid in the fund financial statements. The obligation recognized under GASB Statement No. 45 is included in the general long-term debt account group which is not included in the fund financial statements.

Plan Description

The Town administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees who have reached the age of 55 and have a certain number of years of service, and their eligible dependents. Retirees are required to pay between 0 - 10% of such costs dependent on the date of hire and are covered for life; eligible dependents are covered through the retiree's lifetime and are required to pay between 0 – 50% of costs.

Funding Policy

The Town contributes sufficient amounts to the plan to satisfy current obligations on a pay-as-you-go basis. Contributions for current premiums for 2011 were approximately \$615,000.

Funded Status and Funding Progress

The plan is unfunded. The following table sets forth the actuarial accrued liability and funded status of the plan as of December 31, 2011 based on actuary valuation as of January 1, 2010, the latest valuation date:

Unfunded Actuarial Accrued Liability (UAAL)	
Currently retired	\$ 9,274,793
Active employees	<u>5,300,064</u>
Actuarial accrued liability	14,574,857
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	14,574,857
Funded ratio	0%
Normal cost	\$ 239,654

The following table summarizes the amortization calculation of the UAAL as of the latest valuation date:

UAAL	\$ 14,574,857
Amortization period (years)	30
Amortization discount rate	4%
UAAL amortization amount	\$ 810,447

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 — LONG-TERM DEBT (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for 2011:

Normal cost	\$ 239,654
Amortization of UAAL	810,447
Interest	20,796
ARC	1,070,897
Interest on OPEB obligation	21,815
Adjustment to ARC	(30,926)
Net OPEB obligation at beginning of year	\$ 1,345,712
OPEB expense	1,061,786
OPEB contributions	(615,055)
Net OPEB obligation at end of year	\$ 1,792,443
Percentage of expense contributed	57.9%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility consistent with the long-term perspective of the calculations.

The measurement date for the calculation was January 1, 2010 and the discount rate utilized was 4%. An ultimate trend rate of 5% was utilized for health care costs.

NOTE 9 — NOTES PAYABLE

Liabilities for bond anticipation notes (BANs) are accounted for in the Capital Projects Fund. Debt service expenditures are recorded in the fund that benefited from the capital project financed by the BAN. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 — NOTES PAYABLE (Continued)

Bond anticipation notes are comprised of the following at December 31, 2011:

Project	Original Date Issued	Interest Rate (%)	Balance January 1, 2011	Borrowings	Reductions	Balance December 31, 2011
Woodhaven Sewer	4/3/2003	1.05	\$ 600,000	\$ -	\$ (25,000)	\$ 575,000
Water Dist. 11, Ext. 30	3/1/2003	0.99	265,500	-	(7,375)	258,125
Rector Road	9/29/06	0.93	1,225,000		(131,250)	1,093,750
Woodcrest Sewer	6/8/08	1.24	270,989	-	(9,990)	260,999
Dispatch System	1/13/2009	1.04	1,363,500	-	(151,500)	1,212,000
Plow Truck	3/25/2009	1.05	141,600	-	(35,400)	106,200
Plow Truck	8/20/2010	1.30	256,000	-	(51,200)	204,800
Total BANS outstanding			<u>\$ 4,122,589</u>	<u>\$ -</u>	<u>\$ (411,715)</u>	<u>\$ 3,710,874</u>

Interest paid on BANS and reported in the Town's Combined Statement of Revenues, Expenditures and Changes in Fund Balance totaled \$43,337.

NOTE 10 — INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2011 were as follows:

Fund Type	Interfund Receivable	Interfund Payable
General - Town Wide	\$ 12,751	\$ 3,593
Special Revenue	30,031	25,879
Capital	-	9,253
Fiduciary	-	4,057
Total	<u>\$ 42,782</u>	<u>\$ 42,782</u>

NOTE 11 — RESERVES

(a) Reserves for Capital Purchases and Repairs

Established pursuant to General Municipal Law, Article 62, Section 6-D, there may be paid into the reserves such amounts as are provided by budgetary appropriation or such revenues as are not required by law to be paid into any other fund or account. Monies in the reserve for repairs may be appropriated only for repairs of capital improvements or equipment, which repairs are of a type not recurring annually or at shorter intervals, or to certain other reserve funds pursuant to law. Additionally, General Municipal Law, Section 6-C, established a capital reserve fund for the purchase of equipment or improvements for Water District #11.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 11 — RESERVES (Continued)

(a) Reserves for Capital Purchases and Repairs (Continued)

At December 31, 2011 the balance of the reserves for purchases and repairs are as follows:

Special Revenue		
Sewer Districts	Repairs	\$ 66,033
Water Districts	Repairs	44,581
Water Districts	Purchase of equipment and improvements	144,854
		<u>\$ 255,468</u>

(b) Reserves for Debt Service

This reserve is used to account for remaining bond proceeds which were not utilized for the intended purpose. These moneys must be used to pay the debt service of the obligations from which they originated. At December 31, 2011, the balance of the reserves were as follows:

General	<u>\$ 20,029</u>
Special Revenue	
Highway	\$ 806
Sewer Districts	225,399
Water Districts	585,698
Total	<u>\$ 811,903</u>

NOTE 12 — COMMITMENTS AND CONTINGENCIES

(a) Lawsuits

The Town has been named in several lawsuits arising in the ordinary course of the Town's operations. These claims and lawsuits, in the opinion of management, after considering all relevant facts, are either adequately covered by insurance or will not result in material judgments against the Town and, therefore, are not expected to have a material effect on the financial statements.

(b) Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 12 — COMMITMENTS AND CONTINGENCIES (Continued)

(c) Joint Venture

The Towns of Glenville, Niskayuna, Rotterdam and the City of Schenectady and the Village of Scotia, New York, jointly comprise the Intermunicipal Watershed Rules and Regulations Board. The joint venture operates under the terms of an agreement dated July 11, 1991. The agreement was originally for a period of five years with an option for renewal in increments of five year periods. The agreement has been consistently renewed and is currently operating under a renewal period which expires in 2012. Separate financial statements are issued for the joint venture.

NOTE 13 — SUBSEQUENT EVENTS

Subsequent to December 31, 2011, the Town reissued certain BANs with a total principal amount of \$2,183,059 for an additional one year period (Note 9). Interest rates on these BANs range from .70% to .99%.

In May 2012, the Town refinanced certain 2002 serial bonds with a total principal amount of \$3,375,000 with interest rates ranging from 2% to 4%.

SUPPLEMENTARY INFORMATION

TOWN OF GLENVILLE, NEW YORK

COMBINING BALANCE SHEET – GOVERNMENTAL FUND TYPES – SPECIAL REVENUE FUNDS

December 31, 2011

	Special Revenue Funds							
	Outside Village	Special Grant	Highway	Fire Protection	Other*	Sewer	Water	Totals
ASSETS								
Cash	\$ 721,927	\$ 494,273	\$ 858,186	\$ 1,953	\$ 496,693	\$ 1,238,886	\$ 2,164,794	\$ 5,976,712
Cash - restricted	32,787	-	806	-	-	291,432	775,133	1,100,158
Receivables	168,017	-	12,393	-	-	-	136,689	317,099
Due from other funds	1,759	-	28,272	-	-	-	-	30,031
Due from other governments	449,460	-	605,195	-	-	35,392	-	1,090,047
Prepaid expenses	121,309	-	46,432	-	-	5,584	15,505	188,830
Note receivable	-	614,677	-	-	-	-	-	614,677
Total assets	<u>\$ 1,495,259</u>	<u>\$ 1,108,950</u>	<u>\$ 1,551,284</u>	<u>\$ 1,953</u>	<u>\$ 496,693</u>	<u>\$ 1,571,294</u>	<u>\$ 3,092,121</u>	<u>\$ 9,317,554</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 60,257	\$ 26,090	\$ 42,160	\$ -	\$ 3,800	\$ 19,754	\$ 37,848	\$ 189,909
Accrued liabilities	102,682	-	48,675	-	-	2,906	16,112	170,375
Due to other funds	17,899	1,200	-	-	-	484	6,296	25,879
Due to other governments	-	-	-	-	-	148,902	-	148,902
Deferred revenue	152,438	665,468	317,743	-	-	18,718	-	1,154,367
Total liabilities	<u>333,276</u>	<u>692,758</u>	<u>408,578</u>	<u>-</u>	<u>3,800</u>	<u>190,764</u>	<u>60,256</u>	<u>1,689,432</u>
FUND BALANCE								
Nonspendable:								
Prepaid expenses	121,309	-	46,432	-	-	5,584	15,505	188,830
Restricted for:								
Debt service	-	-	806	-	-	225,399	585,698	811,903
Capital purchases and repair	-	-	-	-	-	66,033	189,435	255,468
Other purposes	32,787	-	-	-	-	-	-	32,787
Assigned	1,007,887	416,192	1,095,468	1,953	492,893	1,083,514	2,241,227	6,339,134
Total fund balance	<u>1,161,983</u>	<u>416,192</u>	<u>1,142,706</u>	<u>1,953</u>	<u>492,893</u>	<u>1,380,530</u>	<u>3,031,865</u>	<u>7,628,122</u>
Total liabilities and fund balance	<u>\$ 1,495,259</u>	<u>\$ 1,108,950</u>	<u>\$ 1,551,284</u>	<u>\$ 1,953</u>	<u>\$ 496,693</u>	<u>\$ 1,571,294</u>	<u>\$ 3,092,121</u>	<u>\$ 9,317,554</u>

TOWN OF GLENVILLE, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND TYPES – SPECIAL REVENUE FUNDS

Year Ended December 31, 2011

	Special Revenue Funds							
	Outside Village	Special Grant	Highway	Fire Protection	Other*	Sewer	Water	Totals
REVENUES								
Real property taxes	\$ 2,624,335	\$ -	\$ 1,224,046	\$ 382,950	\$ 86,627	\$ 1,128,856	\$ 681,678	\$ 6,128,492
Sales tax	1,635,382	-	1,307,778	-	-	-	-	2,943,160
Departmental income	124,328	112,031	-	-	8,000	346,173	1,319,821	1,910,353
Intergovernmental charges	44,108	-	452,773	-	-	1,060	226,685	724,626
Use of money and property	19,982	20,763	5,024	3	1,502	8,355	51,208	106,837
Licenses and permits	-	-	1,050	-	-	-	-	1,050
Miscellaneous local sources	79,796	-	75	-	-	-	3,472	83,343
State aid	19,802	-	141,585	-	-	-	-	161,387
Federal aid	-	415,541	-	-	-	52,038	-	467,579
Total revenues	<u>4,547,733</u>	<u>548,335</u>	<u>3,132,331</u>	<u>382,953</u>	<u>96,129</u>	<u>1,536,482</u>	<u>2,282,864</u>	<u>12,526,827</u>
EXPENDITURES								
General government support	344,361	-	37,778	-	-	-	-	382,139
Public safety	2,444,412	-	-	382,950	-	-	-	2,827,362
Transportation	-	-	2,205,050	-	37,561	-	-	2,242,611
Health	2,425	-	-	-	-	-	-	2,425
Culture and recreation	217,036	-	-	-	1,042	-	-	218,078
Home and community services	19,643	415,616	-	-	14,279	761,144	1,337,761	2,548,443
Employee benefits	1,318,258	-	779,866	-	-	25,476	190,396	2,313,996
Debt service (principal and interest)	-	-	110,407	-	-	435,145	845,053	1,390,605
Total expenditures	<u>4,346,135</u>	<u>415,616</u>	<u>3,133,101</u>	<u>382,950</u>	<u>52,882</u>	<u>1,221,765</u>	<u>2,373,210</u>	<u>11,925,659</u>
Excess (deficiency) of revenues over expenses	<u>201,598</u>	<u>132,719</u>	<u>(770)</u>	<u>3</u>	<u>43,247</u>	<u>314,717</u>	<u>(90,346)</u>	<u>601,168</u>
OTHER FINANCING SOURCES (USES)								
Sale of property and equipment	6,700	-	8,173	-	-	-	8,675	23,548
Other	-	-	16,725	-	-	1,539	-	18,264
Insurance recoveries	3,608	-	14,361	-	-	7,085	-	25,054
Operating transfers in (out)	-	-	(186,600)	-	-	(34,990)	(38,625)	(260,215)
Total other financing sources (uses)	<u>10,308</u>	<u>-</u>	<u>(147,341)</u>	<u>-</u>	<u>-</u>	<u>(26,366)</u>	<u>(29,950)</u>	<u>(193,349)</u>
Net change in fund balances	211,906	132,719	(148,111)	3	43,247	288,351	(120,296)	407,819
Fund balance, beginning of year	<u>950,077</u>	<u>283,473</u>	<u>1,290,817</u>	<u>1,950</u>	<u>449,646</u>	<u>1,092,179</u>	<u>3,152,161</u>	<u>7,220,303</u>
Fund balance, end of year	<u>\$ 1,161,983</u>	<u>\$ 416,192</u>	<u>\$ 1,142,706</u>	<u>\$ 1,953</u>	<u>\$ 492,893</u>	<u>\$ 1,380,530</u>	<u>\$ 3,031,865</u>	<u>\$ 7,628,122</u>

* Includes recreation, drainage, lighting and parks.

ADDITIONAL REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Supervisor and Members of the Town Board
Town of Glenville, New York

We have audited the financial statements of the general fund, special revenue funds, capital projects fund and the fiduciary fund of the Town of Glenville, New York (the Town) as of and for the year ended December 31, 2011, and have issued our report thereon dated July 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

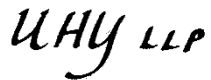
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Supervisor and Members of the Town Board, management, other within the Town and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Albany, New York
July 10, 2012